

VZCZCXRO4404
PP RUEHBC RUEHDE RUEHIHL RUEHKUK
DE RUEHGB #3655/01 3240611
ZNY CCCCC ZZH
P 190611Z NOV 08
FM AMEMBASSY BAGHDAD
TO RUEHC/SECSTATE WASHDC PRIORITY 0453
INFO RUCNRAQ/IRAQ COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 003655

SIPDIS

E.O. 12958: DECL: 11/19/2018
TAGS: [PGOV](#) [PREL](#) [KISL](#) [IR](#) [IZ](#)
SUBJECT: KARBALA, IRAN DUEL OVER PILGRIMS

REF: BAGHDAD 2812

Classified By: Deputy Political Counselor John Fox for reasons 1.4 (b) and (d).

11. (C) Summary: In October, after Karbala's Hotel and Restaurant League raised prices on Iranian visitors to the province, Tehran reportedly closed access by its own citizens to two of the three major border crossings used by pilgrims. The flow of Persian pilgrims into Iraq fell from an average of 4,500 to 3,000 per day. By early November, however, Tehran had re-opened the border-crossing points, and Karbala's hospitality industry appears set to reap a financial windfall from Eid al-Adha (December 11-14) through Ashura (January 7). The duel over pilgrims reveals the local Da'wa Party's increased willingness to challenge Iran in defense of Iraqi interests. End Summary.

Making Pilgrims Pay

12. (C) Since Iraq's liberation, Tehran has taken advantage of the fact that Iranians comprise the bulk of visitors to Karbala to extort low-ball package deals for Persian pilgrims. Earlier this year, for example, the main Iranian agency -- Shamsah Travel and Tourism -- negotiated a per-person price of 136 USD for seven days (four nights' lodging and three meals daily in Karbala, three nights' lodging and three meals daily in Najaf), minus a 25 USD per person commission for Shamsah's primary representative here, Kareem al-Musawi (reftel). Al-Musawi coerced local hoteliers into servicing the Iranians for 111 USD each. Although this amount barely covered costs, the presumed alternative -- empty rooms -- was seen as less appealing, commercial contacts report.

13. (C) According to contacts at the office of Da'wa Party-affiliated Governor Aqeel Mahmoud al-Khazali, Muhammad Sadiq al-Hir -- president of the Karbala Hotel and Restaurant League and a Da'wa candidate for a Provincial Council seat in the upcoming election -- lobbied Aqeel to seek Prime Minister Maliki's endorsement of a pricing proposal that would enable hoteliers here to turn a profit. As reported in the "Al-Nour" newspaper on November 5, new lodging prices have been "suggested" for Iranian pilgrims: 35 USD per night for a deluxe hotel room near the al-Husayn and al-Abbas shrines, 30 USD per night for a deluxe room more than one kilometer from the shrines, and 25 USD for an ordinary room anywhere in the city, meals included. Al-Hir confirmed during a meeting with PRT members on November 15 that these are the prices he proposed. Contacts in the Governor's office report that al-Hir's proposal, although not yet endorsed by Maliki or approved by any national-level committee, nevertheless went into effect on October 19 by virtue of an agreement among the League's 200-plus members.

Iran Blinks

14. (C) Still smarting from the shutdown by Karbala earlier

this year of the Central (or Iranian) Kitchen (reftel), Tehran reacted to the new hotel-pricing scheme by restricting pilgrims' ability to travel. Provincial government contacts claim the Iranians closed their border-crossing points at Shalamcheh and Mundhuriyah for two weeks, allowing pilgrims to cross only at Mehran. According to al-Hir, the number of Iranian pilgrims entering Iraq during the latter half of October fell from an average of 4,500 to 3,000 per day. Fortunately, an unexpected surge in the number of free-spending Gulf Arabs traveling to Karbala more than made up for the lost revenues from the notoriously penurious Persians. Unfortunately, he rued, Baghdad continues to put more obstacles in the path of fellow Arabs wishing to visit Iraq than it does Iranians.

15. (C) Al-Hir continued that Tehran, for the time being, appears to have accepted the new prices. With all three border-crossing points again open, the number of Iranians entering Iraq each day once more averages approximately 4,500. He said he foresees the local hospitality industry reaping a financial windfall from Eid al-Adha (December 11-14) through Ashura (January 7), during which time upward of one million visitors not only from Iran but also the Gulf and South Asia will converge on Karbala. (Note: Shias unable to go on hajj traditionally have regarded a pilgrimage to the al-Husayn and al-Abbas shrines as the next-best thing. End Note.) Al-Hir speculated that pressure from citizens unhappy at being forced into a border-crossing bottleneck at Mehran is what led Tehran to relent and re-open Salamcheh and Mundhuriyah.

Comment

BAGHDAD 00003655 002 OF 002

16. (C) Karbala's apparent victory over Tehran does not mean their duel is over. We expect the Iranians will push back against the Hotel and Restaurant League's pilgrim-pricing agreement, most likely between Ashura and January 31, the date for provincial elections. Persian proxies such as Acting Provincial Council Chairman Abd al-Al al-Yasiri and ISCI probably will become involved, thereby revealing what we regard as the struggle's political subtext here: Da'wa, as represented by Aqeel and al-Hir, appears increasingly willing to challenge Iran in defense of Iraqi interests. End
Comment.
CROCKER